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FOR AMBASSADOR HOLBROOKE, SCA/FO, SCA/A

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SUBJECT: YOUR VISIT TO AFGHANISTAN

Classified By: Ambassador William B. Wood, for reaons 1.4 (b) and (d)

11. (U) Embassy Kabul warmly welcomes your visit.

12. (C) The coming year will take its identity from the Afghan presidential elections, and from increased U.S. military deployments. We continue to face tough challenges in Afghanistan, particularly on the security and governance front. But conditions here are more nuanced than the negative drumbeat coming from the media. Advances in security do not grab headlines the way a spectacular suicide attack does. Progress in development continues, including increased access to improved public health and education services. National and international will is holding. But poor governance, corruption, and a growing gap between President Karzai and the international presence, including the United States, are problems.

#### Elections

13. (SBU) Presidential elections already influence nearly everything political here. Karzai's popularity has fallen - dramatically in some areas and among some constituencies. But overall the Asia Foundation poll found that 66 percent of the population still thought the national government was doing a "very good" or "somewhat good" job (compared to 80 percent in 2007). In our view, especially in the absence of a credible opponent, it is Karzai's election to lose. Personal insecurity and corruption are Karzai's greatest vulnerabilities. Karzai installed Hanif Atmar as Interior Minister to turn up the heat on both problems. Minister Atmar is working hard, but time is probably too short for dramatic improvement before elections.

- ¶4. (C) The Independent Election Commission,s (IEC) January 29 announcement of the August 20 election date opens the way for political players to hone their electoral strategies and the international community to launch in earnest its security and assistance plans. There will be some residual sniping from the opposition over the legitimacy of Karzai,s authority from the period when many, but not all, interpret his term expires (May 21) and the election date. The last thing Afghanistan needs is a three-month period of political ambiguity in the lead up to elections and at the height of the fighting season. We expect that after some backroom wrangling, key political players will reach a pragmatic accommodation that prevents a constitutional crisis.
- 15. (SBU) More problematic is the insecurity in the south and east, which is prompting some including Karzai, other Pashtuns and some RC-South partners to raise the specter of Pashtun disenfranchisement and the possible illegitimacy of the vote. It is too early to judge the prospects of failure. In fact, voter registration is proceeding well in the south, as it has elsewhere, with nowhere near the violence or disruption expected. We are confident that voting itself will be able to take place, not least because of the arrival of additional U.S. combat brigades and the growth of the Afghan army at more than 2500 troops per month. We expect some violence, however.

Security

- 16. (C) Seventy percent of the violence continues to occur in about 10 percent of the country,s 363 districts, largely concentrated in the south and some districts in the east. The Coalition and Afghan security forces have increased the government,s area of control. In response, the Taliban has shifted tactics from insurgency to terrorism, to challenge the will of Afghans and the International Community. These attacks along with rising criminality, especially kidnappings, make the average Afghan citizen feel less safe, and less confident in the government and the ANSF.
- 17. (SBU) Afghanistan will remain short of security personnel for the foreseeable future. Presently there are about 80,000 Afghan army, 76,000 Afghan police, and about 37,000 international military personnel to maintain security. The army is growing at more than 2500 per month and should reach 134,000 in 2011. The international forces are expected to top 50,000 in 2010. We are working with Minister of Interior Atmar to accelerate reform and training of the police, develop more intelligence-based policing, take action against corruption, and create vetted, specialized police units.
- 18. (SBU) We and the U.S. military are supporting President Karzai's Afghan Public Protection Program initiative to energize renewed community responsibility for security. District councils and local shuras will nominate local patrolmen, vetted by MOI, MOD and NDS to serve in a tribally integrated, MOI-controlled government force as part of the ANSF. This salaried force will coordinate closely with ANA/ANP/coalition forces and receive training for its mission by MOD forces with MOI mentors. The APPF will be a community-based security force, not &tribal8 or &militia,8 that will bind community control to local representatives of different ministries of the central government.

#### Governance

- 19. (SBU) Karzai struggles to find the balance between institutional and traditional, informal governance, in an environment of poverty, social exhaustion, illicit power centers arising from decades of political breakdown, governmental incapacity, criminality, and insurgency. Electoral dynamics are further complicating the problem, leading Karzai to make expedient decisions on one hand, but also to appoint top-flight leaders like Atmar to deliver police services on the other. There are no easy answers, and neither Karzai nor the international community can fight all battles all the time. But we can do better.
- 110. (SBU) In Kabul, the focus is on capacity building, creation of a merit-based, professional bureaucracy, and delivery of services to the public. Strong ministries include Foreign Affairs, Defense, Public Health, Education, Finance, Communications, Rural Development, and Counter-Narcotics. The Central Bank is well-led. Interior and Agriculture have new, better leadership. We work closely with those entities. We also work effectively with the other ministries, but mixed agendas or a legacy of weakness slow progress. For instance, the Supreme Court and the Ministry of Justice suffer from the acute lack of qualified professionals, a history of law enforcement that combines elements of Sharia, tribal, and now normative law, and a lack of national consensus on the way forward.
- 111. (SBU) Outside Kabul, U.S. civilian and military efforts are aimed at strengthening local government at all levels. The Independent Directorate for Local Governance (IDLG) is an important partner in strengthening links between institutional and traditional governance structures. We work equally with traditional leadership structures, as well as those who gained power through force or wealth during the days of conflict, but have proven themselves ready to cooperate with constitutional government and rule of law. Lack of local consensus, traditionally weak connections between the capital and localities, long-standing rivalries and distrust among communities, and the presence of

illegitimate insurgent or criminal spoilers complicate the task. The goal is responsive, reliable leadership in local communities, which binds them to the capital in a reciprocal way.

### Economy

12. (SBU) After real economic growth of 11 percent in 2007-08, growth has declined sharply and is forecast to reach only 2-3 percent in the 2008-09 fiscal year ending in March, the result of sharply lower agricultural output caused by a severe drought last winter. Meanwhile the government is struggling to meet the fiscal performance targets under its three-year IMF program approved in June 2006. Total government revenues are expected to fall below 7 percent of GDP this year, one of the lowest rates in the world. Progress in revenue generation is critical if Afghanistan is to reduce dependence on foreign assistance over time. Delay in completing the IMF program could delay implementation of debt reduction promised by Russia and other creditors. Afghanistan,s development indicators are among the lowest in the world. Foreign aid has fueled economic growth since 12002. Sustaining growth and boosting revenues will require market reforms and stronger efforts to fight corruption. One bright spot is a new, reformist Commerce Minister who aims to improve the climate for private sector development.

## Taliban reconciliation

113. (SBU) Reconciliation with Taliban or other insurgent leaders is controversial here. Many welcome the possibility of reduced violence and instability via a possible reconciliation with the Taliban, while others (mainly non-Pashtuns, women, and certain civil society groups) fear a Pashtun deal that could come at the expense of their interests. So far, all reconciliation efforts have been premised on respect for the constitution, which has allowed us to support these initiatives. Although the recent Saudi attempt to begin talks about talks generated much interest, there has been little concrete progress in that or any other initiative.

Narcotics: Positive Trends, Challenge in the South

¶14. (SBU) Poppy cultivation dropped by 19 percent in 2008, the first reduction since 2005. The UNODC predicts another double digit decline in cultivation in 2009. Just as notable, the number of poppy-free provinces grew from 13 to 18 (of 34) in 2008, and is expected to rise again this year. More importantly, the Afghan government, UN and ISAF all now recognize the clear and direct links between the insurgency and the narcotics trade. Where governance and security improve, poppy cultivation declines, and vice versa. cultivation has died away in the north and east of the country, including in traditionally big poppy cultivating provinces of Badakhshan, Balkh, and Nangarhar. In Nangarhar, Governor Sherzai is using aggressive law enforcement and public information campaigns to suppress poppy cultivation for the second year in a row. Outside the unstable south, more than half the farmers interviewed by UNODC cite pressure from government authorities as the prime factor in convincing them to shift to licit activities. Meanwhile, NATO has mandated an expanded role for ISAF in interdiction efforts against narcotics labs and traffickers.

115. (SBU) The narcotics challenge continues in the south, where seven provinces now account for 98 percent of the country's opium, and trafficking is tied to the insurgency. Agricultural assistance programs alone are not sufficient to reduce cultivation in these areas; over 65 percent of villages in the south are receiving agricultural support this year also reportedly plan to grow opium poppy. In Helmand, Governor Mangal (with US, UK and ISAF support) is leading an aggressive campaign to expand governance and eliminate

narcotics cultivation in a 100-square mile area of Helmand. The Mangal Plan consists of an intensive public information campaign, combined with agricultural assistance and Afghan army-protected eradication in key areas. This effort, if successful, should serve as a model for comprehensive governance/counternarcotics strategies in other parts of the country.

# International Community and Afghanistan

- 116. (C) Relations between the government and the international community are uneven. International support is holding, as demonstrated by the promise of increased deployments at the April NATO Summit in Budapest, increased contributions at the June Donors' Conference in Paris, and support for a larger Afghan army at the September JCMB meeting in Kabul. There is a real improvement in bilateral relations with the Zardari government of Pakistan, although there is some doubt in the Afghan mind that Zardari can get control of all elements of the military and intelligence apparatus there. The UN presence is weak and SRSG Kai Eide has not yet been able to play the key coordination role hoped for, not least because of insufficient budgetary and personnel commitment from New York.
- There are often disagreements between the ¶17. (S) internationals and the Afghan Government regarding issues of corruption, governance, rule of law, freedom of the press, and other areas. Internationals bridle, for example, when Karzai attributes the bulk of corruption in Afghanistan to international aid donations. The most important gap between the government and the coalition is over the issue of civilian casualties: both sides agree it is a problem that needs to be fixed, but there is not yet agreement on the balance between necessary security operations and necessary protections for civilians. General McKiernan, aiming to minimize civilian casualties, has directed substantial changes to coalition tactics, techniques and procedures. Privately, we are offering Karzai real changes in our operations that will vastly improve coordination and Afghan ability to shape our operations, but Karzai is seemingly fixated on negotiating a very public Military Technical Agreement in which we would by necessity be less forthcoming.

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